



Austin – Travis County Emergency Medical Services Department



Emergency Services, Emergency Communications, Community Education, Community Health

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FINAL REVIEW AND STAFF RECOMMENDATION
OF FRANCHISE APPLICATION FOR
ACUTE MEDICAL SERVICES L.L.C
dba AUSTIN MEDICAL SERVICES
April 17, 2015

Background

In order for a private ambulance company to provide non-emergency transfer services within the limits of the City of Austin, the provider must hold a franchise from the City. Non-emergency transfers typically occur between nursing facilities and hospitals, and are usually prescheduled by medical personnel. Currently, two companies hold such franchises, Acadian Ambulance Service, Inc. and American Medical Response of Texas, Inc. (AMR)

In September of 2014, Austin Travis County Emergency Medical Services (ATCEMS) received a franchise application from Acute Medical Services L.L.C. (Applicant) of Humble, Texas requesting to obtain a non-emergency franchise for the City of Austin. The application fee was paid in full at the time of submittal.

Application Review

In February 2015, staff requested additional information from the Applicant due to deficiencies found within the application. The submission did not identify several required resources such as the location, personnel or vehicles to become a franchise as described in the local ordinance. The Applicant did not provide evidence that the operation would be in place within 20 days of the passing of the ordinance nor did it provide any information to staff to evaluate the evidence that the public convenience will be served by granting a transfer service franchise.

The Applicant proposed two station locations that will be procured through lease if a franchise is granted. The locations are: 1801 East 51st Street and 12701 Ranch Road 620 North. The 51st Street station is in the central corridor of the city which would allow the Applicant to provide services throughout the city; however, the FM620 station too isolated to the far northwest corridor of the city and will not be a benefit to the majority of call volume which is within the central Austin corridor.

ATCEMS Staff Review & Recommendation: Acute Medical Services Franchise Application

The Applicant's insurance carrier, Insurors Indemnity Company holds a current performance bond of \$10,000. Worker's compensation, general liability and automobile liability insurance are provided through SIG Insurance Services LLC based on the certificate of liability dated Feb. 23, 2015 the applicant does NOT meet the required coverage of \$500,000 for property damage for each transfer vehicle. The City of Austin is named on both the performance bond and the certificate of insurance as required.

On April 7, 2015 ATCEMS staff inspected the two proposed franchise vehicles. The inspections revealed that the vehicles met the basic standards for emergency ambulances based on federal ambulance specifications, as well as general ambulance manufacturing standards; however, both had deficiencies as BLS/MICU capable ambulances. Medic 14 TX ZYK2941 was missing Lidocaine and Medic 15 was missing Haldol and Pitocin. The Lidocaine, Haldol and Pitocin were listed as medications in the Medical Director Protocols as required by the 157.11, the staff of applicant moved medication stock between units to try and make the ambulance compliant but the lack of medications was already identified.

The vehicles were current on their vehicle registrations, state emissions inspection. The vehicles odometer readings were all well within the limits of mileage as specified in the City ordinance. The proposed franchise ambulances hold the appropriate current licenses through the Texas Department of State Health Services (TDSHS) which are valid through January 31, 2016. The original application specified that the applicant would buy two new ambulances if awarded a franchise. With the requirement of the ordinance to provide service within twenty days this was not possible, so other units were listed as the franchise vehicles in the supplemental documentation.

Applicant currently employs 62 field employees per the application, 27 Emergency Medical Technicians certified at the Basic level (EMT-B's), 8 Emergency Medical Technicians certified at the Intermediate level (EMT-I) and 27 Paramedics for their current operation. No Austin staff will be hired until a franchise is granted.

Public Convenience

The Applicant addressed public convenience by stating in the deficiencies document that "AMS's commitment to rapid response and quality service will absolutely serve a public convenience by drastically increasing quality of EMS care in the Austin area while significantly decreasing response times." AMS went on to say that they completed a survey that *suggests* that the wait time for a non-emergency transport averages more than sixty minutes. Staff reviewed the information provided and found that the information is inconsistent with the monthly reports reviewed on the current services provided.

Based on the historical data for the existing franchises on transports within the City of Austin, both providers are well within the franchise response time limits. Staff also reviewed the number of the substantiated complaints received from the public concerning the existing providers over the last 12 months and found that there were none.

Chapter 10-2 of the City of Austin Code defines the response acceptable response time as;

§ 10-2-40 TRANSFER OPERATION.

(C) A provider must respond to any unscheduled request for transfer service within one hour at any time of the day, any day of the week from the time of the request, or within fifteen minutes of a scheduled pickup time. At no time shall a provider establish a contract with any customer for response times longer than the stated expectations above. **Failure by a provider to comply with the response times described in this subsection on more than ten percent of its unscheduled and scheduled transfers within a twelve month period may result in termination by the department of the franchise.**

The average response time compliance for both providers since January of 2012 is as follows; Acadian has posted a 99.11% average and AMR has posted a 96.06% average with no months falling below of 90% compliance as established by the code.

The call volume for the existing franchises has risen by approximately 9 calls per day from FY 2013 thru FY 2014. This increase is due to the changes in transport protocols by the Chief, but there has been no impact on the compliance of response times.

ATCEMS staff believes that the public convenience will not be served by awarding this franchise. The Applicant only provided a single statement in regards to the need for an additional franchise and did not address the any impact on the existing franchisees.

Conclusions

ATCEMS staff does not recommend approval of this franchise based on the following issues:

§ 10-2-43 LIABILITY INSURANCE REQUIRED.

No medical transfer vehicle shall be operated by a provider on the public streets of the City, unless the provider submits evidence to the director that it has in full force and effect a public liability insurance policy on that transfer vehicle, such insurance policy having been issued by a solvent insurance company licensed to do business in the state. The insurance policy shall provide liability insurance in the amount of not less than \$1,000,000 for personal injury in any one accident, and **not less than \$500,000 for property damage for each transfer vehicle**. An insurance policy shall not contain passenger liability exclusion. Each liability insurance policy shall contain a provision obligating the insurer to give the director written notice of cancellation not less than ten days prior to the date of any cancellation. Each policy shall name the City as an additional insured.

The certificate of liability provided by the applicant dated Feb. 23, 2015 the applicant did not meet the required coverage of \$500,000 for property damage for each transfer vehicle.

10-2-62 REVIEW OF APPLICATION; PUBLIC HEARING.

(C) The applicant shall not be granted a transfer franchise unless the council determines that the public convenience will be served by the issuance of the franchise. In all hearings, the burden of proof shall be upon the applicant to establish by clear, cogent and convincing evidence that the public convenience will be served by the granting of a transfer service franchise.

(D) In determining public convenience, the council shall consider the following:

(1) The distance from the permanent address at which the applicant proposes to operate the transfer service to hospitals and other medical facilities providing service to the public.

(2) In the event the applicant has previously participated in or is currently participating as an ambulance or transfer service, evidence as to whether the applicant performed or is performing in a satisfactory manner.

(3) The number of providers available to provide service in the area in which the applicant proposes to furnish service, and whether granting the franchise will adversely affect existing service so as to lower the standards of existing services and cause public inconvenience.

The applicant station model did not meet the requirement of determining public convenience as outline in 10-6-62 (D) (1). Also, the applicant did not address any adverse impact that would occur on the existing franchise providers.

§ 10-2-82 VEHICLES.

(A) Each vehicle to be used as a medical transfer vehicle shall comply with the following requirements and such other requirements or modifications as may be established by the department:

(5) Each vehicle to be used as a medical transfer vehicle shall be equipped as required by 25 Texas Administrative Code, § 157.11.

The applicant had deficiencies in medications that were required in their Medical Director Protocols and did not meet the standards of 10-2-82 (5). The applicant was requested to produce the ambulances to staff for inspection with over one week's notice. The applicant could not provide vehicles that could pass inspection based on 25TAC 157.11. The applicant's staff advised the units were BLS/MICU capable. The regulations require a BLS/ICU capable vehicle to have a copy the Medical Director Protocols, with all medications that are required to be available to the crew, in this case the vehicles were not stocked correctly.

*On April 17, 2015, the ATCEMS Advisory Board took action on this application making a recommendation to the Austin City Council to **___Approve___** **___Disapprove___** Acute Medical Services as a franchise for nonemergency medical transport.*

*Kerri Lang, Assistant Director of Administration & Finance
Austin-Travis County Emergency Medical Services Department*